# Message Text

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INFO OCT-01 ISO-00 OES-09 L-03 INR-10 INT-05 TRSE-00 DOE-15 SOE-02 SIG-03 MMO-01 OIC-02 ACDA-12 AGRE-00 AID-05 CEA-01 CEQ-01 CG-00 CIAE-00 COME-00 DODE-00 DOTE-00 EB-08 EPA-01 FMC-01 H-01 IO-13 JUSE-00 NSAE-00 NSC-05 NSF-01 OMB-01 PA-01 PM-05 SP-02 SS-15 ICA-11 AF-10 ARA-10 EA-10 EUR-12 NEA-10 /196 R

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E.O. 11652: GDS

TAGS: PLOS

SUBJECT: LOS: RESUMED SEVENTH SESSION AND THE CONTINENTAL SHELF

1. ONE OF THE MAJOR OUTSTANDING ISSUES THAT WILL BE THE FOCUS OF ATTENTION AT THE RESUMED SEVENTH SESSION IN NEW YORK BEGINNING ON AUGUST 21 IS THE DEFINITION OF THE OUTER LIMIT OF THE CONTINENTAL SHELF WHERE IT EXTENDS BEYOND 200 CONFIDENTIAL

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MILES AND THE RELATED QUESTION OF REVENUE SHARING. AS REPORTED IN THE UNCLASSIFIED DELEGATION REPORT (A-1985, 5/3U/78), THE "IRISH FORMULA" FOR DEFINING THE SHELF WAS GAINING SUBSTANTIAL SUPPORT AT THE RECENTLY CONCLUDED PORTION OF THE SEVENTH SESSION. IT IS A FORMULA WHICH IS SUPPORTED BY THE USG, MANY OTHER STATES WITH ROAD MARGINS INCLUDING AUSTRALIA, ARGENTINA, CANADA, NEW ZEALAND, INDIA,

IRELAND, UK AND OTHER MEMBERS OF THE EEC, NORWAY, PAKISTAN, PHILIPPINES, AND MALAYSIA, AS WELL AS CERTAIN KEY LAND-LOCKED AND GEOGRAPHICALLY DISADVANTAGED STATES, INCLUDING AUSTRIA AND SINGAPORE. THE SOVIET UNION DURING THE COURSE OF THE SEVENTH SESSIO SUGGESTED A FORMULA WHICH WOULD LIMIT COASTAL STATE RESOURCE JUDISDICTION OVER THE SHELF TO A MAXIMUM OF 300 MILES WHERE THE SHELF SO EXTENDS. THIS PROPOSAL WAS SUPPORTED BY THE EASTERN EUROPEAN BLOC AND CUBA. AT THE SAME TIME THE GROUP OF ARAB STATES RAISED AGAIN THEIR SUGGESTION TO CUT OFF COASTAL STATE RESOURCE JURISDICTION ON THE SHELF AT 200 MILES ALTHOUGH THEY PRIVATELY INDICATED THEY COULD AGREE TO A FORMULA FOR DEFINING THE SHELF BEYOND 200 MILES. BUT FOR THE SOVIET PROPOSAL THE IRISH FORMULA WOULD HAVE HAD ENOUGH SUPPORT TO SUBSTANTIALLY INCREASE THE LIKELIHOOD OF CONSENSUS. THE SOVIETS STATED THAT THEY PUT FORTH THEIR SUGGESTION IN ORDER TO ACHIEVE CONSENSUS AND HAVE STATED REPEATEDLY THAT THEY HAVE NO SPECIFIC SOVIET INTEREST AT STAKE. AT THE SAME TIME WE AND OTHERS HAVE INDICATED TO THE SOVIETS THAT THEIR PROPOSAL COULD NOT FORM THE BASIS FOR CONSENSUS AND SHOULD NOT BE PURSUED.

2. POSTS (EXCEPT AS NOTED IN PARAS 3, 4 AND 5) ARE REQUESTED TO APPROACH APPROPRIATE OFFICIALS IN FOREIGN MINISTRY AND MAKE FOLLOWING POINTS:

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### BEGIN UNCLASSIFIED:

- -- USG WAS ENCOURAGED BY THE PROGRESS MADE AT THE MARCH-MAY PORTION OF THE SEVENTH SESSION OF THE UN CONFERENCE ON THE LAW OF THE SEA. WE VERY MUCH HOPE THAT THIS PROGRESS AND SPIRIT OF COOPERATION WILL BE RENEWED AT THE RESUMED SESSION COMMENCING IN NEW YORK ON AUGUST 21.
- -- AMONG THE ISSUES WHICH WERE NOT RESOLVED AT THAT MEET-ING WAS THE QUESTION OF PRECISELY DEFINING THE OUTER EDGE OF THE CONTINENTAL SHELF WHERE IT EXTENDS BEYOND 20U MILES FROM SHORE. THIS ISSUE HAD PREVIOUSLY BEEN IDENTI-FIED BY THE CONFERENCE AS A HARD-CORE OUTSTANDING ISSUE WHICH MUST 3E SATISFACTORILY RESOLVED IN ORDER TO ACHIEVE A COMPREHENSIVE AND BROADLY ACCEPTABLE TREATY.
- -- THERE IS WIDESPREAD RECOGNITION AT THE CONFERENCE THAT AN ACCOMMODATION ON THIS ISSUE WOULD INCLUDE A PRECISE DEFINITION OF THE MARGIN BEYOND 200 MILES COUPLED WITH REVENUE SHARING FOR THE BENEFIT OF LESS DEVELOPED COUNTRIES FROM THE EXPLOITATION OF MINERAL RESOURCES OF THE MARGIN BEYOND 200 MILES. THIS ACCOMMODATION, COUPLED WITH THE SUBSTANTIALLY INCREASED LIKELIHOOD OF CONSENSUS

ON THE ISSUE OF THE RIGHT OF ACCESS OF LANDLOCKED AND GEOGRAPHICALLY DISADVANTAGED STATES TO FISH IN THE EXCLUSIVE ECONOMIC ZONES OF OTHER STATES IN THEIR REGION OR SUBREGION, WOULD MEET THE NEEDS OF BOTH BROAD MARGIN COUNTRIES AND COUNTRIES WITH NARROW OR NO MARGIN.

-- THE US SUPPORTS THE PROPOSITION THAT ANY FORMULA FOR DEFINING THE MARGIN BEYOND 2UU MILES MUST BE SCIENTIFICALLY SOUND, LEGALLY DEFENSIBLE, AND POLITICALLY REALISTIC. THE IRISH FORMULA MEETS ALL THREE OF THESE CRITERIA. AS THE RECENT SECRETARIAT STUDY ON THE

CONTINENTAL MARGIN INDICATED, THE METHOD IS SCIENTIFICALLY SOUND. IT IS PERHAPS NOT AS SIMPLE AS ONE WOULD IDEALLY CONFIDENTIAL.

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HOPE FOR BUT WE ARE DEALING WITH A RATHER COMPLICATED QUESTION AND HENCE A LESS THAN FULLY SIMPLE ANSWER IS REQUIRED. THE IRISH FORMULA IS LEGALLY DEFENSIBLE. AS A LEGAL MATTER, IT MORE PRECISELY DEFINES THE CONTINENTAL MARGIN THAN IS THE CASE IN EXISTING ARTICLE 76 OF THE ICNT. THE IRISH FORMULA IS POLITICALLY REALISTIC. IT ACCOMMODATES THE LEGITIMATE ASPIRATIONS OF THE BROAD MARGIN STATES, YET IT DOES NOT RPT NOT RECOGNIZE THEIR JURISDICTION OVER THE RESOURCES THAT MIGHT BE FOUND IN THE SO CALLED LAST GRAIN OF SAND OF CONTINENTAL ORIGIN. IT DOES NOT IMPINGE UPON THE COMMON HERITAGE OF MANKIND. INDEED, AS SUGGESTED BY THE SECRETARIAT STUDY, IT HAS ALL THE ASPECTS OF A REALISTIC POLITICAL ACCOMMODATION.

- -- THE IRISH FORMULA AS WELL AVOIDS THE VERY DANGEROUS FLAWS OF A STRAIGHT DISTANCE CRITERION WHICH IS UNRELATED TO NATURAL FEATURES. WHILE SUCH A PROPOSAL RELYING ON A STRAIGHT DISTANCE CRITERION CLEARLY HAS THE ADVANTAGE OF SIMPLICITY, IT RAISES SERIOUS QUESTIONS ABOUT THE EFFECT OF DRAWING AN ARBITRARY LINE ON THE SURFACE OF THE OCEAN AND POTENTIAL COASTAL STATE JURISDICTION IN THE WATER COLUMN BEYOND 200 MILES, WHICH IS IN THE INTEREST OF NO COUNTRY. IN ADDITION, THE PROPOSALS EMBODYING THE DISTANCE CRITERION UNRELATED TO NATURAL FEATURES DO NOT RPT NOT MEET THE INTERESTS OF MANY BROAD MARGIN STATES, BOTH DEVELOPED AND DEVELOPING AND CANNOT FORM THE BASIS FOR CONSENSUS.
- -- MANY DEVELOPED AND DEVELOPING BROAD MARGIN COUNTRIES HAVE TOLD US THAT SATISFACTORY RESOLUTION OF THIS ISSUE IS THE SINGLE MOST IMPORTANT INTEREST THAT THEY HAVE IN AN LOS TREATY. THE IRISH FORMULA IS INDEED A COMPROMISE WHICH CAN SATISFY EVERYONE.S INTERESTS.

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- -- THE IRISH FORMULA IS THE ONLY 3ASIS FOR CONSENSUS AT THE CONFERENCE.
- -- IT IS NOT ENOUGH, HOWEVER, TO MERELY EXPOUND THE VIRTUES OF A DEFINITION OF THE MARGIN. IT IS ABSOLUTELY ESSENTIAL TO APPRECIATE THAT THERE MUST BE MEANINGFUL REVENUE SHARING FROM EXPLOITATION OF THE MINERAL RESOURCES BEYOND 20U MILES. IN THIS REGARD THERE IS A GENERAL UNDERSTANDING AT THE CONFERENCE THAT THIS REVENUE SHARING OBLIGATION MUST ON THE ONE HAND BE SUFFICIENT TO BE PART OF A MEANINGFUL ACCOMMODATION AND ON THE OTHER HAND BE REALISTIC ENOUGH SO AS NOT TO DISCOURAGE EXPLOITATION IN AREAS OFFSHORE. IN THIS REGARD A REASONABLE BALANCE

WOULD INCLUDE REVENUE SHARING COMMENCING FIVE YEARS AFTER COMMERCIAL EXPLOITATION HAS BEGUN BASED UPON A VALUE OF THE PRODUCTION AT THE SITE WITH THE RATE INCREASING IN ONE PERCENT INCREMENTS UP TO AN AGREED MAXIMUM.

- -- AT THE SAME TIME THE REVENUE SHARING OBLIGATION SHOULD APPLY TO ALL AREAS OF THE MARGIN SUBJECT TO COASTAL STATE RESOURCE JURISDICTION BEYOND 200 MILES. IT IS RECOGNIZED THAT THERE MUST BE AGREED UPON SOME FORMULA WHEREBY AN ADJUSTMENT COULD BE MADE IN THE DISTRIBUTION OF BENEFITS THAT WOULD TAKE INTO ACCOUNT THE CONTRIUUTIONS MADE BY THE DEVELOPING COUNTRIES WHICH EXPLOITED THE RESOURCES OF THE MARGIN BEYOND 200 MILES.
- -- WE BELIEVE THAT THESE THREE ELEMENTS SHOULD FORM THE BASIS FOR THE NEGOTIATIONS AND AGREEMENT AT THE RESUMED SESSION IN NEW YORK. END UNCLASSIFIED.
- 3. EMBASSIES BUENOS AIRES, CANBERRA, DUBLIN, LONDON, NEW DELHI, OSLO, OTTAWA, AND WELLINGTON (MEMBERS OF MARGINEERS CONFIDENTIAL

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GROUP) ARE REQUESTED NOT TO MAKE DEMARCHE BUT MERELY TO INFORM LOS OFFICIALS OF US DEMARCHE TO OTHER POSTS AND GIVE COURTESY COPY OF TALKING POINTS.

4. EMBASSY MOSCOW SHOULD NOT RPT NOT MAKE DEMARCHE IN LIGHT OF OTHER APPROACHES TO SOVIETS, BUT MAY, IN RESPONSE TO DIRECT USSR QUERY, INFORM THEM OF OUR INITIATIVE.

5. EMBASSIES, OTHER THAN THOSE NOTED IN PARAS. 3 AND 4, MAY USE THEIR DISCRETION AS TO WHETHER TO MAKE DEMARCHE UASED UPON WHETHER OR NOT HOST COUNTRY IS ACTIVE IN LOS MATTERS. CHRISTOPHER

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